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TD REALTY INVESTMENTS

1973 Financial Highlights

Income before Expenses and Interest on Participating Note	\$ 7,473,448
Net Income	\$ 3,196,902
Dividend Paid	\$ 3,196,902
Earnings Per Trust Unit	\$ 1.76
Dividend Paid Per Trust Unit .	\$ 1.76
Total Assets	\$101,177,021
Advances and Commitments for Mortgage Loans and Other Real Estate Investments	\$143,395,000

President's Report

TD Realty Investments' first full year as an operating entity was a successful one. While the economic climate was one of change, with interest rates reaching historically high levels, continuing inflation and developing shortages of material, the Canadian economy as a whole performed relatively well. These uncertainties tended to narrow gross margins on financial transactions, but the quarter-to-quarter figures shown below* reflect the steady growth of TD Realty Investments.

During the past year, the Trust found it advisable to incorporate a wholly-owned subsidiary, Trevestor Ltd., to act as an intermediary for one of its U.S. investments. The subsidiary guarantees certain mortgage loans in return for a fee. During 1973, it earned income of \$86,000, and, after paying income taxes of \$32,000 (see note 5 to the Audited Statements) it contributed \$54,000 to the consolidated earnings of the Trust. Such fees are not accounted for in the yields recited in Schedule I.

Because of changing interest rates during the year, it has been difficult to set a fixed rate for a loan either in the short term or for a longer term of, say, five years. While this is a normal business risk to a lender such as the Trust, one has to be particularly careful in quoting on such a

basis during a period of rising rates. In fact, the margins that should be built into a rate to provide for such contingencies tend to make the end result impractical from the point of view of the borrower. To meet this situation, the Trust continues to lean heavily towards floating rates and the reception to this approach has been good. Floating rate loans at year-end were 38% of the funded loans and 67% of the unfunded portion and commitments.

The Trust has valuable assets that do not appear on its Balance Sheet. It has as its Adviser The Toronto-Dominion Bank; an institution with over 860 branches in Canada, more than 13,000 employees, and 118 years' experience in financial matters. It has a staff composed of individuals drawn from the Bank's own personnel resources, each of whom has been selected because of his familiarity with and knowledge of bank lending. It has Trustees who are seasoned businessmen with a wealth of experience in the management and financing of all forms of construction projects and land development.

In terms of real growth rate the world economic environment is not as promising as it was last year. However, in comparison with the other industrialized countries Canada seems to have advantages, and its growth prospects, although possibly less

favourable than in 1973, are still very good. One of the most significant reasons for this optimistic view is that capital investment is accelerating and strength in this area is expected to offset, to a large extent, weaknesses which may develop in other sectors.

For TD Realty, 1974 presents new scope to extend and strengthen its investment base. Canada is in the midst of a long awaited upswing in investment and this spells growing opportunities for investable funds from all sources. Residential investment, which has been rising sharply for over three years, may now be entering a period of more sustainable growth. Business investment, however, which only began to gather momentum last year will continue to accelerate in 1974 in response to capacity shortages in a wide variety of both small and large businesses. The resultant strongly rising demands for investment funds will probably maintain long term interest rates at close to present levels throughout 1974.

It will continue to be the Trust's policy to distribute the bulk of its taxable income at the end of each quarter, and all taxable income at the end of the fiscal year.

G. E. W. Hemmans
President and General Manager

	March 31	June 30	September 30	December 31
*Closed loans—funded	\$48,404,000	\$ 71,293,000	\$ 87,042,000	\$ 99,226,000
—unfunded	43,104,000	43,597,000	52,364,000	44,169,000
Total	<u>\$91,508,000</u>	<u>\$114,890,000</u>	<u>\$139,406,000</u>	<u>\$143,395,000</u>
	+ \$37,352,000	+ \$23,382,000	+ \$24,516,000	+ \$3,989,000

NOTE—During the 3rd Quarter, \$5,000,000 low yield (9%) mortgages were sold at par so the funds could be reinvested at a higher rate, and during the 4th Quarter, \$7,000,000 short-term loans were repaid.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net Income	\$636,000	\$756,000	\$841,000	\$964,000
Earnings per Unit	35¢	42¢	46.7¢	52.3¢
Dividend per Unit	35¢	40¢	45¢	56¢

Investment Policy and Objectives

The objective of TD Realty Investments is to build up a portfolio of mortgage and real estate investments for its Unitholders that will meet three fundamental requirements: 1) quality security, 2) a good rate of return, and 3) long-term capital appreciation. Experience has taught us that the one factor that goes farthest towards satisfying all these criteria is diversification. In this regard, the Trust is in a favoured position through having as its Adviser, The Toronto-Dominion Bank, which by virtue of its more than 860 branches across Canada and the lending skills of its personnel, provides a tremendous generating force for loan applications of all types and in every location. These facilities will continue to be used to the full to further the interests of the Trust.

The following is representative of the types of loans and investments the Trust will be seeking.

Residential Mortgages—In response to a national need for increased housing, the Trust intends that residential mortgages will continue to hold an important position in its portfolio. Such loans may be either government-insured N.H.A. loans or conventional mortgage loans on single or multiple family units of all types.

Mortgage Loans on Income-Producing Property—Loans will be made to provide permanent mortgage financing on a broad range of commercial and industrial properties such as shopping centres, office buildings, warehouses, manufacturing facilities, and hotels. These investments will be secured by first mortgages on the property with loan-to-value ratios normally up to 75%, but ratios in excess of this figure will be considered if either the excess is insured, the financial responsibility of the parties concerned is undoubted, or the property itself has special characteristics which tend to enhance its long term value.

Development Mortgage Loans—Short-term loans will be made to assist financing the acquisition of unimproved land and the cost of converting it into serviced lots where we are satisfied the lots can be brought to market within a short term and a market exists for the finished product.

Construction Mortgage Loans—In conjunction with the Trust's Adviser, and other major lenders, TD Realty Investments is actively participating in construction loans on numerous types of development including residential, commercial, and industrial properties.

Standing Loans—This is short-term mortgage financing against completed projects, and is designed to give the developer a period of time to lease the premises and arrange long-term financing based on economic values rather than cost.

Standby Commitments—The demand for a standby commitment arises from the desire of developers of income-producing properties to start construction before commitments for long-term financing have been obtained and the construction lender requires a take-out on completion. The standby commitment is an undertaking to make a mortgage loan that will satisfy this requirement. The rates for the standby commitment are such that they encourage a borrower to get his long-term financing in place quickly.

Wrap-Around Loans—The Trust is prepared to make investments in wrap-around loans when a property's value justifies making an additional loan subject to an outstanding prior mortgage and when it is not possible or desirable to retire the prior encumbrance. The principal amount of the wrap-around loan is equal to the outstanding balance under the prior mortgage and the amount of new money required. Normally, as holder of the wrap-around mortgage, the Trust would assume responsibility for payments required under the prior encumbrance. Such loans offer owners of mortgaged property additional financing based on current real estate values and provide the Trust with an attractive rate of return on its investment.

Purchase Leaseback Financing—The Trust is prepared to purchase properties, lease them back to the vendor on rental terms which are sufficient to amortize essentially the acquisition cost and provide a reasonable return on investment. Rentals are normally based on a fixed interest component, but provision may be made for periodic re-negotiation of rental. These transactions sometimes include a purchase option which offers the Trust a bonus in place of the residual real estate values.

Real Estate Equity Investments—The Trust seeks equity investments in real estate projects which show promising income-producing capabilities.

Terms and conditions for each loan are tailored to suit the attendant circumstances. The keynote of the Trust's investment policy is creativity, and the Adviser's officers responsible for the Trust's investments have the necessary qualities to execute it and instill it in others by example and training. The on-going success of the Trust will be dependent, to a marked degree, upon the continuing availability of imaginative and capable personnel. The training of such people is one of our objectives.

Consolidated Statement of Income and Undistributed Income

for the year ended December 31, 1973
(with comparative figures for the period from inception on June 23, 1972 to December 31, 1972)

INCOME:	1973	1972
Income from mortgage loans and other real estate investments	\$6,507,934	\$ 550,252
Income from short-term investments	756,027	596,294
Fees and other income	209,487	10,130
Total income	<u>7,473,448</u>	<u>1,156,676</u>
EXPENSES:		
Interest on short-term borrowings	408,468	—
Advisory fee (Note 4)	752,952	76,243
Mortgage servicing fee	108,389	15,634
Transfer agent fees	97,600	20,600
Capital tax	90,396	8,750
Trustee fees and expenses	38,831	17,960
Other (Note 5)	146,564	36,597
Total expenses (Note 8)	<u>1,643,200</u>	<u>175,784</u>
INCOME BEFORE INTEREST ON PARTICIPATING SUBORDINATED NOTE	5,830,248	980,892
INTEREST ON PARTICIPATING SUBORDINATED NOTE	<u>2,633,346</u>	<u>427,968</u>
NET INCOME FOR THE PERIOD (Note 5)	3,196,902	552,924
UNDISTRIBUTED INCOME AT BEGINNING OF THE PERIOD	200,000	—
	3,396,902	552,924
DIVIDENDS	<u>3,196,902</u>	<u>352,924</u>
UNDISTRIBUTED INCOME AT END OF THE PERIOD	<u>\$ 200,000</u>	<u>\$ 200,000</u>
EARNINGS PER TRUST UNIT (Note 7)	<u>\$ 1.76</u>	<u>\$ 0.31</u>
DIVIDENDS PER TRUST UNIT	<u>\$ 1.76</u>	<u>\$ 0.20</u>

See notes to consolidated financial statements.

Consolidated Balance Sheet

as at December 31, 1973
(with 1972 figures for comparison)

ASSETS	1973	1972
Cash and short-term investments	\$ 959,276	\$ 43,194,626
Interest receivable	910,489	945,101
Investments—at cost—Schedule 1	99,226,451	32,911,350
Other	80,805	6,336
TOTAL	<u>\$101,177,021</u>	<u>\$ 77,057,413</u>
LIABILITIES		
Short-term notes payable	\$ 21,860,689	\$ —
Accounts payable and accrued expenses	1,720,489	539,863
Refundable commitment fees	203,895	108,376
Dividends payable	1,027,323	352,924
Total liabilities	<u>24,812,396</u>	<u>1,001,163</u>
CAPITAL FUNDS		
1972 participating subordinated note (Note 2)	34,445,000	35,000,000
Equity:		
Trust units (Note 3)	41,719,625	40,856,250
Undistributed income	200,000	200,000
Total capital funds	<u>76,364,625</u>	<u>76,056,250</u>
TOTAL	<u>\$101,177,021</u>	<u>\$ 77,057,413</u>

On behalf of the Trustees:
R. M. THOMSON, TRUSTEE
G. E. W. HEMMANS, TRUSTEE

See notes to consolidated financial statements.

Consolidated Statement of Changes in Financial Position

for the year ended December 31, 1973

(with comparative figures for the period from inception on June 23, 1972 to December 31, 1972)

SOURCE OF FUNDS:	1973	1972
Net income for the period	\$ 3,196,902	\$ 552,924
Net proceeds from issue of trust units	863,375	40,856,250
Proceeds from issue of 1972 participating subordinated note	—	35,000,000
Mortgage principal repayments	17,833,814	1,473,169
Short-term borrowings	21,860,689	—
Other—net	1,910,687	49,726
Total funds provided	<u>45,665,467</u>	<u>77,932,069</u>
APPLICATION OF FUNDS:		
Mortgage loans and other real estate investments	84,148,915	34,384,519
Dividends	3,196,902	352,924
Reduction of 1972 participating subordinated note	555,000	—
Total funds applied	<u>87,900,817</u>	<u>34,737,443</u>
INCREASE (DECREASE) IN FUNDS AVAILABLE FOR INVESTMENT	(42,235,350)	43,194,626
FUNDS AVAILABLE FOR INVESTMENT AT BEGINNING OF THE PERIOD	43,194,626	—
FUNDS AVAILABLE FOR INVESTMENT AT END OF THE PERIOD	<u>\$ 959,276</u>	<u>\$43,194,626</u>

See notes to consolidated financial statements.

Auditors' Report

To the Unitholders of TD Realty Investments:

We have examined the consolidated balance sheet of TD Realty Investments and its subsidiary as at December 31, 1973 and the consolidated statements of income and undistributed income and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the Trust and its subsidiary as at December 31, 1973 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Toronto, Ontario
January 16, 1974.

Deloitte, Haskins & Sells
Chartered Accountants.

Consolidated Schedule of Investment Portfolio

Schedule 1

as at December 31, 1973

NATURE OF INVESTMENT	ESTIMATED WEIGHTED AVERAGE YIELD (FUNDED PORTION)	CLOSED LOANS— (FUNDED PORTION)	CLOSED LOANS (UNFUNDED PORTION) AND COMMITMENTS	TOTAL
First Mortgage Loans:				
N.H.A. Residential	9.1%	\$19,259,000	\$ 5,937,000	\$ 25,196,000
Conventional residential	9.5%	3,613,000	—	3,613,000
Industrial	9.6%	14,072,000	6,022,000	20,094,000
Commercial	9.7%	17,495,000	11,024,000	28,519,000
Land development	11.3%	11,708,000	1,020,000	12,728,000
Junior Mortgage Loans:				
Land development	12.7%	8,928,000	7,922,000	16,850,000
Commercial	11.0%	5,925,000	3,005,000	8,930,000
Construction Loans:				
Commercial	11.8%	13,615,000	8,389,000	22,004,000
Wrap-around Loans:				
Industrial	10.6%	1,516,000	850,000	2,366,000
Commercial	10.4%	1,078,000	—	1,078,000
Land	10.1%	1,870,000	—	1,870,000
Equity Participation:				
Commercial	—	147,000	—	147,000
	<u>10.4%</u>	<u>\$99,226,000</u>	<u>\$44,169,000</u>	<u>\$143,395,000</u>

1. The mortgage loans (funded portion) mature as follows:

1974—\$10,979,000	1977	—\$27,761,000
1975— 8,804,000	1978	— 19,704,000
1976— 18,917,000	1979 and thereafter	— 12,914,000

2. 38% of the funded loans have rates which are subject to adjustments with changes in the bank prime rate.

3. Average yields do not include return from equity and/or profit participation associated with some of these loans.

Notes to Consolidated Financial Statements

December 31, 1973

1. TRUST

TD Realty Investments is a trust created pursuant to a declaration of trust made in Toronto, Ontario. Certain related activities are carried on by a wholly-owned subsidiary company whose accounts are consolidated in these statements.

2. 1972 PARTICIPATING SUBORDINATED NOTE

The 1972 participating subordinated note, which matures on February 15, 1993, is unsecured and by its terms is declared to be subordinate, in certain circumstances, to future borrowings and guarantees. Interest is payable semi-annually at a fixed rate of 5.51% per annum plus participating interest at a rate of up to 4.5% per annum based upon net revenue (excluding gains or losses on dispositions) after certain deductions. In certain circumstances, the note is subject to prepayment in whole or in part.

3. TRUST UNITS

The beneficial interest provided for in the Declaration of Trust is divided into trust units without par value and the number of trust units authorized to be issued is 12,000,000. The Trust has also issued warrants which carry the right to purchase trust units on the basis of one trust unit for two warrants plus \$25 prior to the warrant expiry date August 15, 1977.

Debentures of TDRI Limited are guaranteed by the Trust, and are convertible at the option of the holder into trust units on the basis of one trust unit for each \$25 principal amount of debenture.

The following warrants and options were exercised during 1973:

	TDRI Limited Debentures— Principal Amount	Number of Warrants	Trust Units	
			Number	Amount
Outstanding as at January 1, 1973	\$35,000,000	1,800,000	1,800,000	\$40,856,250
Exercised during the year	555,000	24,670	34,535	863,375
Outstanding as at December 31, 1973	<u>\$34,445,000</u>	<u>1,775,330</u>	<u>1,834,535</u>	<u>\$41,719,625</u>

4. ADVISORY FEE

The Trust and its subsidiary receive investment and financial advice and administrative and accounting services from the Adviser pursuant to Advisory Contracts, dated September 20, 1972 and December 18, 1973. Under these agreements, the Adviser receives a monthly fee not in excess of 1/12 of 1% of the value of the investment portfolio and amounts committed or guaranteed.

5. INCOME TAXES

The Trust considers that it has conducted its affairs so as to qualify as a "Mutual Fund Trust" under the Income Tax Act of Canada. The Trust is not taxed on that portion of its taxable income which is paid or payable to unitholders.

The Trustees have declared a dividend to unitholders of record on December 31, 1973 of all the taxable income of the Trust for 1973, less amounts already distributed in respect of 1973. Accordingly, no provision for income taxes on the income of the Trust has been made in these statements. Income taxes have been provided on the taxable income of the subsidiary company in an amount of \$32,000 in 1973, and are included in other expenses.

6. COMMITMENTS AND CONTINGENT LIABILITIES

In addition to the commitments disclosed in Schedule 1, the Trust, through its subsidiary, is contingently liable as a guarantor of mortgage loans amounting to \$8,944,255.

7. EARNINGS PER TRUST UNIT

The earnings per trust unit are calculated using the weighted average number of trust units outstanding during the period. The exercise of the warrants and options, referred to in Note 3, would have no material dilutive effect on the reported earnings per trust unit. For purposes of this determination, earnings of \$1,514,000 have been imputed at a rate of interest based on the average yield of short-term investments.

8. EXPENSES

Under the terms of a financing agreement, the Trust reimburses TDRI Limited for certain expenses. During 1973 these expenses amounted to \$140,085 including capital tax of \$90,396.

9. LINES OF CREDIT

The Trust, through TDRI Limited, has available unused lines of bank credit amounting to \$35,000,000 at December 31, 1973.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the 1973 presentation.

TD REALTY INVESTMENTS

Trustees

H. C. Bentall, Vancouver	President, The Dominion Construction Company Limited
P. H. Davies, Toronto	President and Chief Executive Officer, G&B Automated Equipment Limited
A. E. Diamond, Toronto	President, Cadillac Development Corporation Limited
G. C. Gray, Toronto	President, A. E. LePage Limited
G. E. W. Hemmans, Toronto	President & General Manager, TD Realty Investments
A. B. Hockin, Toronto	Executive Vice-President, Toronto Dominion Bank
F. A. M. Huycke, Toronto	Partner, Osler, Hoskin & Harcourt, Barristers and Solicitors
C. P. Keeley, Toronto	Retired, until December 31, 1973, Vice-Chairman, McLeod, Young, Weir & Company Limited
R. W. Korthals, Toronto	Vice-President, Toronto Dominion Bank
A. Marcil, Montreal	President, Marcil Mortgage Corporation
W. C. Poole, Toronto	General Manager, Toronto Dominion Bank
D. A. B. Steel, Toronto	Partner, Borden & Elliot, Barristers & Solicitors
R. M. Thomson, Toronto	Chairman, TD Realty Investments President, Toronto Dominion Bank
C. L. Townend, Toronto	Assistant General Manager, Toronto Dominion Bank
N. R. Wood, Toronto	President, The Fairview Corporation Limited

ADVISER



Second Quarter Report to Unitholders

In the second quarter of the current fiscal period, funded loans increased by over \$22 million, the relative average yield by better than one-half of 1% and new commitments by more than \$23 million. It is the Trust's policy at the present time to seek loans that lend themselves to floating rather than fixed rates, and the increase in yield to some degree reflects this feature.

As a consequence of the foregoing, net earnings moved up comfortably in the second quarter to permit approval of a dividend of 40¢ a Unit (an increase of 5¢ over the preceding quarter), and payment of \$190,000 (\$5.43 per \$1000) participating interest on the Participating Subordinated Note. The latter funds will be passed through TDRI Limited to the holders of its Convertible Participating Subordinated Debentures 1972 Series.

We previously forecast that during the third quarter the Trust would reach the point where it was fully invested. We are now in a position to say with absolute certainty that such will be the case.

G. E. W. Hemmans
President and General Manager

Investment Portfolio

as at June 30, 1973

Nature of Investment	Estimated Weighted— Average Yield * (Funded Portion)	Closed Loans— Funded Portion	Closed Loans— Unfunded Portion and Commitments	Total
First Mortgage Loans:				
N.H.A. Residential	9.11%	\$18,773,136	\$ 7,853,197	\$ 26,626,333
Conventional residential	9.21%	8,376,601	10,000	8,386,601
Industrial	9.38%	6,977,001	9,712,900	16,689,901
Commercial	9.42%	8,804,923	7,836,000	16,640,923
Land development	11.00%	8,555,633	3,382,690	11,938,323
Junior Mortgage Loans:				
Commercial	10.18%**	3,213,795	5,139,000	8,352,795
Construction Loans:				
Commercial	9.89%	12,036,333	6,893,667	18,930,000
Wrap-around Loans:				
Industrial	10.42%	4,390,163	2,769,837	7,160,000
Equity Participation:				
Commercial		165,167	—	165,167
	9.68%	\$71,292,752	\$43,597,291	\$114,890,043
Less payments due within one year		9,436,367		
		\$61,856,385		

The non-current mortgage loans mature as follows:

1974—1,808,817; 1975—2,425,118; 1976—22,368,796; 1977—18,335,997;
1978 and thereafter—16,752,490

*32% of the Funded Loans have rates which are subject to adjustment with changes in Bank prime or other money market rates; and 51% of the non-residential Funded Loans are similarly structured.

**Rate does not include return from equity participations associated with some of these loans.

Balance Sheet (unaudited)

as at June 30, 1973

Assets

CURRENT ASSETS:

Cash and deposit receipts	\$ 6,228,117
Accrued interest receivable	647,716
Mortgage payments due within one year	9,436,367
Total current assets	<u>16,312,200</u>

INVESTMENTS:

Mortgage loans and other real estate investments—at cost, less amounts due within one year	61,856,385
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TOTAL	<u>\$78,168,585</u>
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Liabilities and Capital Funds

CURRENT LIABILITIES:

Accounts payable and accrued expenses	188,838
Accrued interest payable	926,234
Refundable commitment fees	235,296
Dividend payable	720,000
Total current liabilities	<u>\$ 2,070,368</u>

CAPITAL FUNDS:

1972 participating subordinated note	\$35,000,000
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Equity:

Trust units (1,800,000 units outstanding)	40,856,250
Undistributed income	241,967
	<u>76,098,217</u>

TOTAL	<u>\$78,168,585</u>
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NOTES TO FINANCIAL STATEMENTS

1. The Trust has conducted its affairs in a manner intended to qualify as a "Unit Trust" under the Income Tax Act of Canada, and is not taxed on that portion of its taxable income which is paid or payable to unitholders in the year earned.
2. Conversion of the 1972 participating subordinated note and exercise of outstanding warrants would not have materially diluted reported earnings per unit.

Statement of Income and Undistributed Income (unaudited)

	FOR THE THREE MONTHS ENDED JUNE 30	FOR THE SIX MONTHS ENDED JUNE 30
INCOME:		
Income from investments.....	\$ 1,431,373	\$2,329,515
Interest on deposit receipts.....	240,894	721,100
Total income.....	\$ 1,672,267	\$3,050,615
EXPENSES:		
Administrative expenses.....	\$ 41,112	\$ 59,035
Advisory fee.....	164,373	276,141
Mortgage servicing fee.....	27,703	47,978
Transfer agent fees.....	31,000	73,600
Trustee fees and expenses.....	12,277	20,428
Capital and place of business tax.....	8,750	17,500
Total expenses.....	\$ 285,215	\$ 494,682
INCOME BEFORE INTEREST ON PARTICIPATING NOTE.....	1,387,052	2,555,933
INTEREST ON PARTICIPATING NOTE.....	631,194	1,163,966
NET INCOME (Note 1).....	\$ 755,858	\$1,391,967
DIVIDENDS.....	720,000	1,350,000
UNDISTRIBUTED INCOME FOR THE PERIOD.....	\$ 35,858	\$ 41,967
UNDISTRIBUTED INCOME AT BEGINNING OF PERIOD.....	206,109	200,000
UNDISTRIBUTED INCOME AT END OF PERIOD.....	\$ 241,967	\$ 241,967
EARNINGS PER TRUST UNIT (Note 2).....	42.0¢	77.3¢
DIVIDENDS per trust unit.....	40.0¢	75.0¢

Statement of Source and Application of Funds (unaudited)

Six months ended June 30, 1973

SOURCE OF FUNDS:

Net income.....	\$ 1,391,967
Mortgage payments, including amounts due within one year.....	11,521,258
Total funds provided.....	\$12,913,225

APPLICATION OF FUNDS:

Mortgage loans and other real estate investments.....	\$40,912,984
Dividends.....	1,350,000
Total funds applied.....	42,262,984

NET DECREASE IN FUNDS FOR THE PERIOD..... \$29,349,759

FUNDS AVAILABLE FOR INVESTMENT AS AT DECEMBER 31, 1972..... 43,591,591

FUNDS AVAILABLE FOR INVESTMENT AS AT JUNE 30, 1973..... \$14,241,832

Trustees

AR09

R. M. Thomson, Toronto	Chairman, President, Toronto Dominion Bank
G. E. W. Hemmans, Toronto	President and General Manager
H. C. Bentall, Vancouver	President, The Dominion Construction Company Limited
P. H. Davies, Toronto	President and Chief Executive Officer, G. & B. Automated Equipment Ltd.
A. E. Diamond, Toronto	President, Cadillac Develop- ment Corporation Limited
G. C. Gray, Toronto	President, A. E. LePage Limited
A. B. Hockin, Toronto	Executive Vice-President, Toronto Dominion Bank
F. A. M. Huycke, Toronto	Partner, Osler, Hoskin & Harcourt, Barristers and Solicitors
C. P. Keeley, Toronto	Vice-Chairman, McLeod, Young, Weir & Company Limited
R. W. Korthals, Toronto	Vice-President, Toronto Dominion Bank
A. Marcil, Montreal	President, Marcil Mortgage Corporation
W. C. Poole, Toronto	General Manager, Toronto Dominion Bank
D. A. B. Steel, Toronto	Partner, Borden & Elliot, Barristers and Solicitors
C. L. Townend, Toronto	Assistant General Manager, Toronto Dominion Bank
N. R. Wood, Toronto	President, The Fairview Corporation Limited

**TD REALTY
INVESTMENTS**

CanCorp

**Advised by
The Toronto-Dominion Bank**

**Report for the Second Quarter
ended June 30, 1973**

P.O. Box 143
Toronto-Dominion Centre
Toronto, Ontario
M5K 1H1